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10/805,030	03/19/2004	Samuel Thomas Scott III	MS1-1898US	7931

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EXAMINER	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/805,030	SCOTT ET AL.	
	Examiner	Art Unit	
	Ryan Stronczer	2425	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *19 May 2008*.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-56* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-56* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☒ The drawing(s) filed on *19 March 2004* is/are: a)☒ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Response to Arguments

Applicant's arguments filed 19 May 2008 with respect to claims 1, 21, 31, 44, and 50 have been fully considered but they are not persuasive.

With respect to claim 1, Applicants allege that Shah-Nazaroff (hereinafter, Shah) fails to properly teach each and every limitation of the claim. Specifically, Applicants allege:

> The OA assertion that allocating a cost and making a subsequent adjustment to the cost recited in Claim 1 is the same thing as FIG. 5 teaching an interactive menu for ordering a PPV or VOD program (including options such as high resolution, etc.) and the user getting billed for the ordered PPV or VOD program described in Shah-Nazaroff (FIG. 5 and Col. 6, lines 15-48) is misplaced. (Remarks, pg. 24)

Examiner respectfully disagrees. Fig .5 teaches that the view control input of Shah teaches the recited allocating a cost (the cost of the VOD movie with the default options selected) and adjusting the cost according to how the media content is to be rendered (increasing the cost according to the upgrade options, if any, selected by the user). Applicants further allege:

> The Shah-Nazaroff reference only enables the user to select program content once and bills the user in accordance with the previously displayed and agreed upon costs for the selected program content. Therefore, the Shah-Nazaroff reference does not expressly or inherently teach or suggest adjusting the costs after the costs have been previously agreed upon and confirmed by the user. (Remarks, pg. 24)

In response to Applicants' argument that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (cited above) are not recited in the rejected claim(s). Claim 1 merely recites that the

valuation application "[is] further configured to adjust the cost according to the view control input and how the media content is to be rendered" and does not recite that said adjustment is made "after the costs have been previously agreed upon," as alleged in Applicants' remarks. Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

For the same reasons stated above regarding claim 1, Examiner maintains the rejection of claims 21, 31, 44, and 50 under 35 U.S.C. 102(b).

With respect to claim 8, Applicants allege that the combination of Shah in view of Stuckman does not teach or suggest the claimed limitation because “Stuckman teaches that the entire video program must be first downloaded (as it is being distributed) and saved in memory before it may be available for viewing. Claim 8 includes limitations that reduces the cost in response to receiving a view control input to end the distribution of the media content. Thus, Stuckman teaches away from the limitation of the Claim 8 by forcing the user to complete the download even if the user expressly inputs (via the view control input) to end the distribution” (Remarks, pg. 35). Examiner respectfully disagrees. Shah teaches a system which allows a user to receive a broadcast of a VOD program and Examiner notes that the capability to stop or end playback of a VOD program was well-known in the art at the time of the invention. Stuckman teaches an analogous VOD to a user in which the system can adjust the cost allocated to the user based on the actual viewing time of the program. Examiner maintains that this determination of viewing time and subsequent cost-adjustment, if necessary, would

have been desirable to users Shah's system as a viewer would not wish to pay full-price for a VOD program they only watched a small portion of. Furthermore, Examiner respectfully disagrees with Applicants' allegation that Stuckman "teaches away from the limitation of Claim 8 by forcing the user to complete the download…" Examiner notes that the cost assessed by Stuckman is based on viewing time and not download time and that the determination of playback time and cost-adjustment taught by Stuckman is not intrinsically dependent on the entire program being downloaded; said determination and cost-adjustment could be performed whether the program is being viewed while being transmitted to the user or was downloaded before being viewed.

For the same reasons stated above regarding claim 8, Examiner maintains the rejection of claim 36 under 35 U.S.C. 103(a).

With respect to claim 13, Applicants allege that the combination of Shah and Eldering does not teach or provide motivation for the recited limitation, "wherein the server is further configured to…log whether the advertisement is rendered for viewing," and that Eldering only teaches, "'tracking' the content and the ads that are viewed, but not creating a log of the advertisement that is being tracked" (Remarks, pg. 32). Examiner respectfully disagrees. Paragraph 0111 of Eldering teaches, *"The tracking of ads includes the ads that were received and whether the ads or the alternative ads were viewed. This information is transmitted back to the headend for advertiser billing purposes."* Examiner notes that the claim does not require "creating a log," as alleged by Applicants, but merely the act of logging if the advertisements were viewed.

Examiner maintains that transmitting whether the ads were viewed to the headend is cumulative with the recited logging.

For the same reasons stated above regarding claim 13, Examiner maintains the rejection of claims 14, 15, 41, and 42 under 35 U.S.C. 103(a).

Applicant's arguments, see page 25, filed 19 May 2008, with respect to the rejection(s) of claim(s) 4-7, 9-12, 16-19, 20, 23-28, 33-35, 37-39, 40, 43, 46-49, 52, 53, 55, and 56 under 35 U.S.C. 102(b) and 35 U.S.C. 103(a) have been fully considered and are persuasive. Therefore, the rejections have been withdrawn. However, upon further consideration, a new ground(s) of rejection is made as stated below.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

Claims 1, 21, 31, 44, and 50 are rejected under 35 U.S.C. 102(b) as being anticipated by Shah-Nazaroff.

Claims 1 recites a control-based content pricing system comprising, "a content server configured to distribute media content to a client device in response to a request from the client device to receive the media content, the content server further configured to receive a view control input from the client device that indicates how the media content is to be rendered…" Shah teaches a content server **140** which, *"automatically*

*coordinates billing for the upgraded media features, and automatically coordinates providing the upgraded media features from broadcast sources **130**"* (Col.3 , Lines 11-14). Fig. 5 teaches an interactive display by which the user can request program content (e.g., a pay-per-view (PPV) or video on demand (VOD) movie) to be transmitted from the broadcast source to the user's device. As to the recited, "view control input from the client device that indicates how the media content is to be rendered," the interactive display taught in Fig. 5 allows the user to indicate the format in which he wishes to receive said content (e.g., if the user wishes to receive said requested content in high-definition) and provides the equivalent functionality of the recited view control input. Claim 1 further recites, "...a valuation application configured to allocate a cost to the client device when the media content is distributed, the valuation application further configured to adjust the cost according to the view control input and how the media content is to be rendered." As discussed above, Fig. 5 teaches an interactive menu which allows the user to order a PPV or VOD program as well as to specify the format in which he wishes to receive said program (e.g., improved resolution, etc). The user is then billed for the cost of the program as well as any additional options (e.g., receiving the program in high-definition) he has selected. This above serves as the claimed valuation application.

As to claims 21, 31, 44, and 50, the rejection of claim 1 is incorporated herein. The method recited in claims 31 and 44 is inherent in practicing the system of Shah. Similarly, the computer-readable media recited in claim 50 are inherent in the client device and server taught by Shah.

As to the limitation in claims 29 and 54 that the receiver be, "television-based," Shah teaches, *"…system controller 604 may be a 'set-top' box endowed with the necessary processing power and incorporated with the teachings of the present invention"* (Col. 7, Lines 45-48).

As to claim 30, Shah teaches, *"In one embodiment, system controller 604 may be a computer system with the teachings of the present invention"* (col. 7, lines 41-44).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 2, 22, and 32 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff et al. as applied to claims 1, 21, and 31 above.

As to amended claims 2, 22, and 32 Shah teaches the system of claim 1 as well as different prices corresponding to different properties of the video content (e.g., a HD version of a VOD program costs more than the standard-definition version of the same movie, etc) which is cumulative with the recited "wherein the content server is further configured to receive the view control input as a first command to select a first property of the media content being rendered and to receive the view control input as a second command to select a second property of the media content being rendered." While Shah does not explicitly teach the limitation "wherein the valuation application is further

configured to decrease the cost according to a decrease in distribution cost of the media content having the first property content compared to the media content having the second property," Examiner takes Official Notice that distributing upgraded media content (e.g., the audio or video quality upgrades taught by Fig. 5 of Shah) inherently causes the distributor to incur additional costs, as distributing high-definition video content requires more bandwidth than standard video requires. Thus, it would have been obvious to one of ordinary skill in the art at the time of the invention that the reduced prices of for the lower quality video and/or audio options taught by Fig. 5 of Shah would be the result of reduced distribution costs, as stated above.

Claims 3-6, 19, 20, 24-26, 34-36, 46, 47, 55, and 56 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff et al. as applied to claim 1 above, and further in view of Blahut et al. (US Pat. No.: 5,532,735).

As to claim 4, Shah teaches the system of claim 1 but does not explicitly teach the recited "wherein the content server is further configured to distribute an advertisement with the media content, and wherein the valuation application is further configured to increase the cost in an event that the view control input is a command to advance past the advertisement such that the advertisement is not rendered for viewing." Blahut teaches an analogous system for a VOD service which allows the user to select the level of advertising they wish to receive in a VOD program when they order said programming and that the fee for the VOD program is commensurate with the requested level of advertising. Blahut teaches that *"Typically, the more advertisements*

that are viewed, the less the subscriber's bill will be for that show" (col.2/lines 21-22). Further, Blahut teaches that before said selected advertisements are displayed to the user, *"The viewer may then be prompted for a response as to whether the viewer desires to 'cancel' that set of advertisements. The ITV system would then react accordingly"* (col. 5/lines 32-35). Examiner notes that choosing to cancel a requested set of advertisements is equivalent to the recited "command to advance past the advertisement such that the advertisement is not rendered for viewing." As to the recited increasing of the cost in response to said canceling of the advertisements, it would have been obvious to one of ordinary skill in the art at the time of the invention that the "reaction" to the cancelling taught by Blahut would be to increase the fee for the VOD program since Blahut teaches that the fee charged for the program is directly related to how many advertisements the user receives. By choosing to cancel an advertisement after paying a fee predicated on the viewing of said advertisement, the user is implicitly agreeing to reimburse the VOD provider for the lost revenue of not displaying the selected advertisement. Furthermore, it would have been obvious to one of ordinary skill in the art at the time of the invention to combine the system VOD system of Shah with the advertising system of Blahut. It would have been obvious that a desired advertising level option could be added to the order form taught by Fig. 5 of Shah to facilitate the initial selection of desired advertising taught by Blahut. This would have been desirable so as to allow users who wish to view more advertising or who would be willing to do so in exchange for a reduced fee the option of doing so. This

would be beneficial to both the users who are receiving a reduce fee for the VOD program and to the advertisers who are able to reach more potential customers.

As to claims 18, 25, 34, 46, and 55, the rejection of claim 4 is incorporated herein. Examiner notes that a command to cancel the presentation of selected advertising, as taught by Blahut is equivalent to a command to advance the VOD program such that an advertisement is not displayed.

As to claims 3, 17, 23, 33, 45, and 51, the rejection of claim 4 is incorporated herein. Blahut, as analyzed above, teaches that the cost is adjusted based on whether the advertisement is rendered for viewing, as recited. As to the limitation of "the cost being based on the view control input and a base time-line, the base time-line including a media content duration and an advertisement duration," Fig. 4 and col. 4 of Blahut teach that the VOD program and advertisements are broadcast to the user on virtual channels such that the user's requested level of advertising controls which virtual channels are broadcast to the user. Blahut also teaches that the length of the VOD program is increased by the length of the ads and that the anticipated length of the VOD session can be calculated adding by the length of the VOD program and the length of any selected advertising virtual channels (t_{end+10}, t_{end+20} in Fig. 4). It would have been obvious to one of ordinary skill in the art at the time of the invention that the system could determine if the user had viewed all selected advertisements based on the actual end time compared with the projected end time of the VOD session. As analyzed above, Blahut teaches that the system can increase the cost of the VOD program during

playback if the user chooses to cancel advertising that he has previously agreed to view (and received a reduced rate predicated on said viewing).

As to claims 5 and 6, the rejection of claim 4 is incorporated herein. Examiner asserts that the act of selecting a desired level of advertising corresponding to a reduced fee when the VOD program is ordered, as taught by Blahut, is cumulative with the recited command "to render both the advertisement and the media content for viewing" of claim 6. As to the limitation in both claims 5 and 6 that "the valuation application is further configured to decrease the cost if the view control input is a command to render the advertisement for viewing," Blahut (cited above) teaches that the user receives a reduced fee correlating with the number of advertisements viewed and that the user is given the option to cancel the upcoming advertisement before it is rendered. Examiner maintains that electing to proceed with said advertisement is cumulative with the recited command to render an advertisement for viewing.

As to claims 19-20, 24, 26, 35, 47, and 56, the rejection of claims 5 and 6 is incorporated herein.

Claims 7, 9-12, 27, 28, 37-40, 43, 48, 49, 52, 53, are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff et al. as applied to claim 1 above, and further in view of Rodriguez (US Pat. No.: 7,340,759)

As to claim 7, Shah teaches the system of claim 1 but does not explicitly teach the recited "in response to the view control input, distribute the media content as a second media stream to render the media content according to the view control input,

and wherein the valuation application is further configured to adjust the cost based on the second media stream." Rodriguez teaches an analogous system for a Near Video On-Demand (NVOD) system which allows the user to implement various interactive, or "trick play," effects such as rewinding, fast-forwarding, etc. The presence of a plurality of video stream for the same program is inherent in a NVOD system. As to the recited limitation that "the valuation application is further configured to adjust the cost based on the second media stream," Rodriguez teaches:

> For example, if the subscriber began viewing a program under the normal play option and later desired to rewind the program, the subscriber may be given the option of utilizing random-access options...This may be accomplished by providing random-access functionality using one or more auxiliary channels...In this option, the pricing system may assign a price criteria based on a per/minute (or second) usage fee, particularly if the on-demand random access is accomplished using a separate random access channel. (col. 27/lines 36-47)

Fig. 5 of Shah teaches that the user may choose to pay for interactive effects, which, in the context of a VOD or NVOD system, would include trick-plack functionality such as that described by Rodriguez above. It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the random-access functionality taught by Rodriguez into the system of Shah to enable customers who did not initially order interactive effects to enable such options during playback.

As to claims 9, 11, 27, 39, 40, 48, and 53 the rejection of claim 7 is incorporated herein. The recited "command to replay a portion of the media content being rendered" is cumulative with the rewinding taught by Rodriguez, as cited above.

As to claims 10, 12, 28, 37, 38, 49, and 52 the rejection of claim 7 is incorporated herein. As to the recited "command to advance the media content being

rendered," Rodriguez teaches that the system can provide users with random-access features including pause, rewind, and fast-forward (col. 24). The fast-forwarding taught by Rodriguez is equivalent to the recited "advance" command.

Claims 16 and 43 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff in view of Rodriguez as applied to claim 7 above, and further in view of Yui et al. (US Pat. No.: 6,972,680).

As to claim 16, Rodriguez, as cited above, teaches that the user can activate and pay for trick play functionality; col. 24 of Rodriguez explicitly teaches that the system supports pause functionality. Given that Rodriguez teaches an NVOD system, it is inherent that the user will receive a second stream upon resuming playback after pausing the program; however, the combined teachings of Shah and Rodriguez do not explicitly teach that the playback can be resumed at a second client device, as recited. Fig. 1 of Yui teaches a system in which a user viewing a broadcast television program in one location can move to another location and resume viewing that same program with “time shifted viewing” enabled. It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the multi-room viewing capability of Yui with the system of Shah and Rodriguez to allow users to finish watching a program in a different location from where they started. This would have been desirable as users often might wish to be able to start watching a program in one location (e.g., the living room of their house) and resume and/or finish watching that program in another location (e.g., their bedroom).

Claims 8 and 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff et al. as applied to claim 1 and 31 above, and further in view of Stuckman et al. (Pub. No.: 2004/0111756).

As to claims 8 and 36, Shah teaches the method of claim 1 but does not explicitly teach the recited, "wherein the content server is further configured to receive the view control input as a command to end distribution of the media content to the client device, and wherein the valuation application is further configured to decrease the cost in response to a distribution end of the media content." Stuckman teaches an analogous system of distributing video to a subscriber wherein the cost charged to the viewer is dependent on the amount of the program watched by the viewer. *"Further, the user may be billed based on how much of the video programs are viewed…The user may be billed for the Discovery Kids' show commensurate with three minutes of viewing time in contrast to viewing the whole show"* [0087]. It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate the billing method taught by Stuckman into the content distribution system taught by Shah to provide users of Shah's system the benefit of only having to pay for content actually viewed rather than for an entire program.

Claims 13-15, 41, and 42 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shah-Nazaroff et al. as applied to claims 1 and 31 above, and further in view of Eldering et al. (Pub. No.: US 2003/0149975).

As to claims 13, 15, and 41, Shah teaches the system of claim 1 but does not explicitly teach that "the content server is further configured to distribute an advertisement with the media content, and log whether the advertisement is rendered for viewing based on the view control input," as is recited in claim 13. Eldering teaches distributing advertising with video content; as to the recited "[logging] whether the advertisement is rendered for viewing," Eldering teaches:

> The STB 510 tracks the content and the ads that are viewed. The tracking of ads includes the ads that were received and whether the ads or the alternative ads were viewed. This information is transmitted back to the headend for advertiser billing purposes. [0111]

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine the advertisement logging taught by Eldering with the VOD system taught by Shah to provide accurate billing information for advertisers.

As to claims 14 and 42, the rejection of claims 13 and 41 are incorporated herein. As to the recited "duration that corresponds to rendering both the advertisement and the media content," Eldering teaches that tracking (cited above) includes

> The STB 510 tracks the content and the ads that are viewed. The tracking of ads includes the ads that were received and whether the ads or the alternative ads were viewed. This information is transmitted back to the headend for advertiser billing purposes. The tracking of content tracks the amount of time that the content was viewed and whether the entire program is received…This transmission may include subscriber ID, content ID, viewing duration and reason code if content was not completely viewed. [0111]

Tracking whether the entire program was received and transmitting a viewing duration and reason code if the entire program was not received, as taught by Eldering, is cumulative with the recited "duration that corresponds to rendering both the advertisement and the media content."

Contact

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Ryan Stronczer whose telephone number is (571) 270-3756. The examiner can normally be reached on 7:30 AM - 5:00 PM (EDT), Monday-Friday.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Brian T. Pendleton can be reached on (571) 272-7527. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Ryan Stronczer/
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